

## STATE OF MAINE – 2002 ECONOMIC DEVELOPMENT STRATEGY

Today's economy is all about knowledge and ideas. Maine's challenge is to stay on the cutting edge by encouraging innovation through investment in research and development in all sectors of the economy and increasing the educational attainment and skills of the workforce. This means we must work together to maintain Maine's high quality of life that attracts and retains businesses, investment and residents. And we must guarantee our workers have the skills and education they need to compete for the jobs of today's economy.

State Government's role is to foster innovation: in institutions, in infrastructure and on the part of individuals. These efforts need to be proactive and designed for the long-term. While the vision of a high quality of life is still the same, the method to achieve that vision has changed. Maine needs to challenge all economic sectors and institutions, including state government, to foster innovation.

The State's Economic Development Strategy creates a framework to encourage broad based economic prosperity and to address the red flag issues identified by the Maine Economic Growth Council. This one-year action plan represents a partnership between State and federal agencies, regional economic development organizations and other groups to expand economic opportunity throughout Maine. It is not intended to be a complete compilation of all economic development activities in 2002, but rather provide an overview of the wide variety of efforts being undertaken by state agencies and our partners.

Maine's success requires effective collaboration within government and with the private sector. Maine's Economic Development Strategy is the design for those actions and partnerships over the next year. It creates the blueprint that will assist in achieving the Maine Economic Growth Council's *Measures of Growth* vision:

*"A high quality of life for Maine citizens. Achieving this vision requires a vibrant and sustainable economy, supported by vital communities and a healthy environment."*

### Principles:

- Economic growth is dependent upon an economic environment that allows businesses and entrepreneurs to pursue innovation. This includes creating access to capital, providing a skilled workforce and allowing an opportunity for businesses to earn a competitive return on their investment.
- Maine's economic future is based on knowledge and ideas.
- The keys to Maine's long-term success in creating wealth and jobs are educational attainment and innovation embedded in all sectors of the economy.
- State government's investment in programs, infrastructure and human resources stimulates private market forces.
- Maine State Government's role is to be supportive in three general areas:
  1. Provision of educational opportunities designed around the knowledge and skills needed to succeed in a knowledge-based economy.
  2. Provision of infrastructure that is modern, affordable and continuously upgraded.
  3. Provision of a business climate that encourages the development of innovative capacity and enables businesses to retain and create jobs.
- Maine's people, quality of life, magnificent natural resources and telecommunications infrastructure are strengths that must be built on.
- Economic Development is a long-term effort and should be based on the principle of sustainability.
- Regional and community plans are integral to the economic development delivery system. The State's efforts need to integrate these plans to address the economic diversity of the state.
- Economic growth requires a skilled, trained workforce. Increasing the educational attainment of our citizens is a priority and must involve a partnership between state government, businesses, educational institutions and Maine citizens.
- State government must focus on business retention and growth and must work with the private sector on business attraction.
- Partnerships and teamwork are required between educational institutions, industry, government and the non-profit sector in order to maximize economic potential.
- Regulation should help solve problems and provide for economic growth while protecting the State's environment and its citizens.

Investment Strategies	Emerging new industries	Existing Industries
Education	Increase the educational attainment and skill levels of Maine workers Expand Maine's entrepreneurial capacity	Promote the pursuit of life long learning for all Maine people
Business Climate	Strengthen regional capacity to support manufacturing, service, and technology-related sectors. Ensure an equitable competitive tax structure.	Support and grow our core industries. Improve the operating environment for small and mid-sized businesses.
Infrastructure	Stimulate and support the formation and growth of technology businesses	Enhance Maine's global competitiveness through targeted investments Foster regional cooperation in economic development.

## 2002 ECONOMIC DEVELOPMENT STRATEGIC ACTIONS

Strategic Focus Area	Cultivate Emerging Industries <ul style="list-style-type: none"> <li>• Biotechnology</li> <li>• Composite and Advanced Materials</li> <li>• Electronics and Communications</li> <li>• Financial Services</li> <li>• Information Technology</li> <li>• Environmental Technology</li> </ul>	Support and Grow Existing Industries <ul style="list-style-type: none"> <li>• Natural Resource Based Industries (Forestry, Agriculture, Fisheries, Aquaculture)</li> <li>• Tourism and Hospitality</li> <li>• Precision Metal Manufacturing</li> <li>• Small Businesses and Micro-enterprises</li> </ul>
<b><i>Education</i></b> Maine Economic Growth Council's 2002 Red Flags: # 1 – Per Capita Income # 11 – New Products or Services #26– % of Population with Bachelor Degree #27 – % of Population with Graduate Degree #28 – Population attending Educational Programs #29 – Employer Sponsored Training	<ul style="list-style-type: none"> <li>• Advance new degree programs to respond to the needs of Maine's employers (UMS, MTCS)</li> <li>• Continue to expand the community college partnership (MTCS, UMS)</li> <li>• Promote and implement the 30/1000 strategy (SPO, DECD, UMS, MTCS, FAME, MSTF, SEGF)</li> <li>• Construct Business and Industry Training Center (MTCS, NMDC)</li> <li>• Continue to link educational standards to the development of work skills (DOE, DOL)</li> <li>• Provide hands-on research experiences for teachers and students through the MERITS Program (MSTF, DOE)</li> <li>• Develop and support the Virtual Biomedical Research Institute (UMS, SPO, DECD, CIB)</li> </ul>	<ul style="list-style-type: none"> <li>• Work with industry associations to address statewide industry-related skilled worker shortage (DOL, DOE, DECD, MTCS, MMEP)</li> <li>• Provide information and resources for financing higher education (FAME)</li> <li>• Address employee retention and training needs. (DOL, DECD, DMR, MCWWC)</li> <li>• Build entrepreneurial capacity (DECD, SBDC, MCWWC, CEI, SEGF, MEDD, SBA, RD)</li> <li>• Encourage and improve opportunities for distance learning programs (DOE, UMS, MTCS, RD)</li> <li>• Continue assessment of business needs and education gaps (MCC, MTCS, UMS)</li> </ul>
<b><i>Business Climate</i></b> Maine Economic Growth Council's 2002 Red Flags: # 1 – Per Capita Income # 8 – Maine R&D Expenditures # 11 – New Products or Services #15 – Local and State Tax Burden	<ul style="list-style-type: none"> <li>• Support collaborative partnerships to increase access to venture capital (FAME, CEI, MIX, DECD, SEGF, SBDC, CIB, MEDD)</li> <li>• Continue to develop nontraditional lending tools for service and knowledge-based businesses (FAME, CEI, SEGF, SBA)</li> <li>• Support very early activities for product development, commercialization or business planning and development (MTI, DECD, DMR, SBDC, MITC, MMEP)</li> <li>• Support research and development of new products or services (MTI, UMS, MMEP, SBDC)</li> <li>• Expand Maine Industries of the Future Initiative (MMEP, DEP, DECD, MTI, UMS)</li> <li>• Build capacity in technology intensive businesses and research institutions (MTI, DECD, MITC, MMEP, SBDC, MSTF, SEGF, CIB, MEDD)</li> <li>• Integrate assistance to Maine's emerging industries to link to international "best practice" technology (MITC, DECD, MMEP, SBDC, SBA)</li> <li>• Implement New Market Venture Capital Fund (CEI, SBA, DECD, SBDC)</li> <li>• Develop, implement and administer a New Market Tax Credit Program (CEI, DECD, SBA)</li> <li>• Continue to develop the Coastal Ventures Fund II (CEI, FAME, SBA)</li> <li>• Promote the Small Enterprise Growth Fund (SEGF, FAME, DECD, MTI, SBDC)</li> </ul>	<ul style="list-style-type: none"> <li>• Widen marketing efforts for Maine food products and other natural resource based industries (DAFRR, DMR, DECD, CEI, MAIC)</li> <li>• Continue to build international markets for Maine goods through cross-sector approaches (MITC, MMEP, DECD, DAFRR, DMR, MEDD, SBA)</li> <li>• Expand technical assistance to small businesses (DECD, SBDC, MMEP, MITC, MTI, CEI, MEDD, SEGF, SBA, RD)</li> <li>• Expand Maine's market as a premier tourism destination (DECD, IFW, DOC, DAFRR, MEDD)</li> <li>• Implement programs to assist mature and dominant industries (DECD, MEDD, MMEP)</li> <li>• Provide training, technical assistance and grants to develop nutrient management plans (DAFRR, DEP)</li> <li>• Implement and develop Maine Farms for the Future Program (CEI, DAFRR)</li> <li>• Continue funding R&amp;D leading to commercialization of new products/services (MTI, UMS, SEGF)</li> <li>• Rework the aquaculture leasing process and implement "permit by rule" process (DMR)</li> <li>• Enhance and improve business assistance programs (DECD, SBDC, MITC, MMEP, DAFRR, MTI, CEI, MCWWC, FAME)</li> <li>• Ensure Maine has a competitive tax structure (DAFS, DECD)</li> </ul>

<p><i>Infrastructure</i> Maine Economic Growth Council's 2002 Red Flags: # 8 – Maine R&amp;D Expenditures # 11 – New Products or Services #31 – Population of Service Center Communities</p>	<ul style="list-style-type: none"> <li>• Continue investment in Maine's research and development capacity (MTI, UMS, DECD, SEGF, MSTF, MAIC, CIB)</li> <li>• Stimulate and support the formation and growth of technology businesses through cluster enhancement grants. (MTI, ATDC, MITC, MMEP)</li> <li>• Bring together state, federal and private resources to strengthen Applied Technology Development Centers (DECD, MTI, SBDC, UMS, MAIC, CIB, MMEP)</li> <li>• Provide technical support to enhance business growth to composite and environmental technology sectors (DEP, SBDC, MTI)</li> <li>• Provide training for SBIR applicants (SBDC, MTI, MMEP, SBA)</li> <li>• Increase the amount of federal support obtained by Maine companies for R&amp;D leading to commercialization (MTI, SBA)</li> <li>• Continue to evaluate Maine's public investments in research and development (MSTF)</li> <li>• Support Maine's Federal/State partnership in the EPSCoR program (MSTF, UMS, MTI)</li> </ul>	<ul style="list-style-type: none"> <li>• Provide access to technology transfer and commercialization for Maine businesses (MMEP, UMS)</li> <li>• Improve freight infrastructure &amp; access with state capital leveraging additional private investment (MDOT, LDA, MEDD)</li> <li>• Provide financing assistance to allow technology upgrades to enhance global competitiveness (FAME, SEGF, SBA)</li> <li>• Provide Lean Manufacturing assistance to manufacturers statewide. (MMEP, DEP, DECD)</li> <li>• Enhance integration and connectivity of the transportation system across and between modes (MDOT, MEDD)</li> <li>• Upgrade all rural arterial highways within 10 years (MDOT)</li> <li>• Upgrade major collector highway system within 20 years (MDOT)</li> <li>• Stimulate and support the use of technology in Maine's traditional industries (MTI, ATDC, MITC, MMEP)</li> <li>• Develop and support projects to build capacity for shellfish aquaculture (DMR, MAIC, MTI, UMS, DECD, MSTF)</li> <li>• Continue to improve commercial water access and waterfront facilities (DMR, SPO, MDOT, CEI)</li> <li>• Continue to develop collaborative research projects for marine sciences (DMR, UMS, MTI)</li> <li>• Assist seafood businesses in obtaining federal, state and private funds for research, development and marketing activities (DMR)</li> </ul>
<p><i>Community Development</i> Maine Economic Growth Council's 2002 Red Flags: # 1 – Per Capita Income # 8 – Maine R&amp;D Expenditures # 11 – New Products or Services</p>	<ul style="list-style-type: none"> <li>• Continue development of regional Super Parks (DECD, EDA, HUD, RD)</li> <li>• Assist communities with economic diversification strategies focusing on emerging industries (DECD, MEDD, LDA)</li> <li>• Seek out and secure other funds to complement community development efforts for emerging industries (DECD, SEGF, MEDD)</li> <li>• Strengthen economic development capacity in rural communities (DECD, MEDD, CEI, RD, SBA, EDA)</li> <li>• Provide community grants for public infrastructure to support business investment (DECD, DEP, DHS, MEDD, EDA, RD, HUD)</li> </ul>	<ul style="list-style-type: none"> <li>• Expand participation Main Street Maine Program (MDF, DECD, SPO, MDOT, MSHA, MEDD, HUD, SBA)</li> <li>• Initiate strategies to revitalize downtowns and urban centers (DECD, MDOT, MSHA, MDF, FAME, HUD, EDA, MEDD)</li> <li>• Administer New Neighbor's program (MSHA, MEDD)</li> <li>• Expand affordable housing and home ownership (MSHA, DECD, KVCOG)</li> <li>• Strengthen economic development capacity in rural communities (DECD, DAFRR, CEI, MEDD, MRDC, RD, SBA, EDA)</li> <li>• Provide community grants for public infrastructure to support business investment (DECD, DEP, DHS, MEDD, EDA, RD)</li> <li>• Work with the Wiscasset Regional Development Corporation to redevelop the Maine Yankee site. (CEI, DECD, HUD)</li> <li>• Construct and operate a world-class Nordic Skiing, Biathlon, and Alpine Skiing training center (NMDC, Libra Foundation)</li> </ul>
<p><i>Industry Attraction</i> Maine Economic Growth Council's Red Flags: # 1 – Per Capita Income # 11 – New Products or Services</p>	<ul style="list-style-type: none"> <li>• Continue a statewide coordinated marketing program to attract new businesses to Maine focusing on: (DECD, ME&amp;Co, MEDD, LDA, CIB) <ul style="list-style-type: none"> <li>• Financial Services</li> <li>• Biotechnology</li> <li>• Information Technology</li> <li>• Electronics and Communications</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Support new business opportunities for value added products for natural resource based industries (DECD, DAFRR, DMR, DOC, CEI, FAME, SEGF, NMDC)</li> </ul>

## ECONOMIC DEVELOPMENT PARTNERS

### STATE AGENCIES:

DAFRR — DEPARTMENT OF AGRICULTURE, FOOD AND RURAL RESOURCES  
DAFS — DEPARTMENT OF ADMINISTRATION AND FINANCIAL SERVICES  
DECD — DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT  
DEP — DEPARTMENT OF ENVIRONMENTAL PROTECTION  
DHS — DEPARTMENT OF HUMAN SERVICES  
DMR — DEPARTMENT OF MARINE RESOURCES  
DOC — DEPARTMENT OF CONSERVATION  
DOE — DEPARTMENT OF EDUCATION  
DOL — DEPARTMENT OF LABOR  
IFW — DEPARTMENT OF INLAND FISHERIES AND WILDLIFE  
MDOT — MAINE DEPARTMENT OF TRANSPORTATION  
PFR — DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION  
SPO — STATE PLANNING OFFICE

### REGIONAL ECONOMIC DEVELOPMENT DISTRICTS

AVCOG — ANDROSCOGGIN VALLEY COUNCIL OF GOVERNMENTS  
EMDC — EASTERN MAINE DEVELOPMENT CORPORATION  
KVCOG — KENNEBEC VALLEY COUNCIL OF GOVERNMENTS  
MCEDD — MIDCOAST ECONOMIC DEVELOPMENT DISTRICT  
NMDC — NORTHERN MAINE DEVELOPMENT CORPORATION  
SMEDD — SOUTHERN MAINE ECONOMIC DEVELOPMENT DISTRICT  
MEDD — MAINE'S REGIONAL ECONOMIC DEVELOPMENT DISTRICTS

### FEDERAL AGENCIES:

EDA — ECONOMIC DEVELOPMENT ADMINISTRATION  
HUD — HOUSING AND URBAN DEVELOPMENT  
RD — U.S. DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT  
SBA — SMALL BUSINESS ADMINISTRATION

### QUASI-INDEPENDENT AGENCIES:

CEI — COASTAL ENTERPRISES, INC.  
CIB — CENTER FOR INNOVATION IN BIOTECHNOLOGY  
FAME — FINANCE AUTHORITY OF MAINE  
LDA — LORING DEVELOPMENT AUTHORITY  
MAIC — MAINE AQUACULTURE AND INNOVATION CENTER  
MCC — MAINE CHAMBER OF COMMERCE  
MCWWC — WOMEN, WORK AND COMMUNITY  
MDF — MAINE DEVELOPMENT FOUNDATION  
ME&Co. — MAINE & COMPANY  
MITC — MAINE INTERNATIONAL TRADE CENTER  
MIX — MAINE INVESTMENT EXCHANGE  
MMEP — MAINE MANUFACTURING EXTENSION PARTNERSHIP  
MRDC — MAINE RURAL DEVELOPMENT COUNCIL  
MSHA — MAINE STATE HOUSING AUTHORITY  
MSTF — MAINE SCIENCE AND TECHNOLOGY FOUNDATION  
MTCS — MAINE TECHNICAL COLLEGE SYSTEM  
MTI — MAINE TECHNOLOGY INSTITUTE  
SBDC — SMALL BUSINESS DEVELOPMENT CENTERS  
SEGF — SMALL ENTERPRISE GROWTH FUND  
UMS — UNIVERSITY OF MAINE SYSTEM

BOLD INDICATES LEAD AGENCY OR ORGANIZATION

